

MEMORANDUM

To: Arkansas "Registered" Investment Advisers

From: Tom Bull, Investment Adviser Supervisor

Re: Year 2002 Renewal Procedures

Date: October 18, 2001

FIRM RENEWAL PROCEDURE: The renewal fee for state registered investment advisers is \$300 per firm. If you have **transitioned** your firm onto the IARD system and funded your financial user account, the firm renewal fee will be forwarded to our Department by the IARD system. If you have not transitioned your firm onto the IARD system or if you have not deposited the correct amount of funds in your financial user account, you will have to pay the renewal fee directly to this Department. These firms are asked to make a single payment for the firm and their representative renewal fees, payable to the Arkansas Securities Department, as soon as possible but no later than December 31, 2001.

REPRESENTATIVE RENEWAL PROCEDURE: The IARD system will not collect the 2002 renewal fees for registered representatives. These fees will have to be paid directly to the Department. The renewal fee for registered representatives is \$75 per person. Attached is a list of the representatives registered with your firm as of the date of this memorandum. You must inform the Department which registrations you wish to renew and which registrations you wish to terminate. Be sure to include the names of any individuals that were registered after the date of this memorandum.

FORM ADV AMENDMENTS: If your firm has access to the IARD system, amendments to Form ADV Part 1 (A) and Part 1 (B) must be filed electronically with that system. If your firm does not have access to the IARD system, you must file these amendments on paper with the Department. You will continue to file any amendments to Form ADV Part 2 with the Department until Part 2 has been added to the IARD system. Correcting amendments to your Form ADV should be filed as soon as practicable, but in any event, no later than thirty (30) days from the date on which the applicant knew or should have known of the change.

FINANCIAL STATEMENTS: Every registered investment adviser must file with the Commissioner financial statements no later than ninety (90) days after the close of their fiscal year. Investment advisers that neither maintain customer funds or securities nor require the prepayment of more than \$500 in fees per client and more than six (6) months in advance, may submit an "**unaudited**" statement of financial condition, that is certified as true and accurate by the chief financial officer or the person executing the Form ADV.